



General Assembly

February Session, 2014

Committee Bill No. 3

LCO No. 2284



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT ESTABLISHING AN EMPLOYEE OWNERSHIP PROGRAM TO
PROMOTE BUSINESS RETENTION AND GROWTH.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014*) (a) Not later than January
2 1, 2015, the Commissioner of Economic and Community Development,
3 in consultation with the Labor Commissioner, shall prepare and issue
4 a request for proposals for a community development corporation,
5 regional economic development corporation or other nonprofit
6 organization to establish and administer a program to encourage
7 employee stock ownership plans and other forms of employee
8 ownership in existing and start-up businesses. The Commissioner of
9 Economic and Community Development shall provide a grant not to
10 exceed five hundred thousand dollars for such program. Such
11 program shall:

12 (1) Provide education and outreach to inform employees, employers
13 and entrepreneurs about the possibility and benefit of employee
14 ownership, business ownership succession planning and employee
15 participation in business decision-making, including providing
16 information about financial education, employee teams, open-book

17 management principles that provide employees with financial
18 information regarding business performance and other tools that
19 enable employees to share ideas and information about how their
20 businesses can succeed;

21 (2) Provide technical assistance to assist efforts to form and
22 transition to employee-owned businesses, to enable employers and
23 employees to explore and assess the feasibility of transferring full or
24 partial ownership to employees and to encourage employees and
25 employers to start new employee-owned businesses;

26 (3) Train employees and employers with respect to methods of
27 employee participation in such open-book management, work teams,
28 committees and other approaches for seeking greater employee input;
29 and

30 (4) Develop partnerships with The University of Connecticut, the
31 Connecticut State University System and a business and industry trade
32 association in order to host educational events to promote awareness
33 and understanding of employee ownership of businesses.

34 (b) On or before April 1, 2015, the Commissioner of Economic and
35 Community Development, in consultation with the Labor
36 Commissioner, shall evaluate such proposals received pursuant to
37 subsection (a) of this section and may approve one such proposal. In
38 evaluating such proposals, said commissioners shall give a preference
39 to programs that (1) provide preliminary feasibility assessments for
40 employee ownership or assist in the funding of third-party feasibility
41 assessments and preliminary business valuations, (2) establish a data
42 bank to help employees find legal, financial and technical advice in
43 connection with business ownership, or (3) establish a fee structure for
44 technical assistance such that the program can be self-sustaining and
45 not require long-term state operating subsidies.

46 (c) On or before October 1, 2016, the commissioner shall report, in
47 accordance with the provisions of section 11-4a of the general statutes,

48 to the joint standing committee of the General Assembly having
49 cognizance of matters relating to commerce on the request for proposal
50 issued and the program established pursuant to this section.

51 Sec. 2. Subsection (b) of section 32-235 of the 2014 supplement to the
52 general statutes is repealed and the following is substituted in lieu
53 thereof (*Effective October 1, 2014*):

54 (b) The proceeds of the sale of said bonds, to the extent of the
55 amount stated in subsection (a) of this section, shall be used by the
56 Department of Economic and Community Development (1) for the
57 purposes of sections 32-220 to 32-234, inclusive, including economic
58 cluster-related programs and activities, and for the Connecticut job
59 training finance demonstration program pursuant to sections 32-23uu
60 and 32-23vv, provided (A) three million dollars shall be used by said
61 department solely for the purposes of section 32-23uu and not more
62 than five million two hundred fifty thousand dollars of the amount
63 stated in said subsection (a) may be used by said department for the
64 purposes of section 31-3u, (B) not less than one million dollars shall be
65 used for an educational technology grant to the deployment center
66 program and the nonprofit business consortium deployment center
67 approved pursuant to section 32-41l, (C) not less than two million
68 dollars shall be used by said department for the establishment of a
69 pilot program to make grants to businesses in designated areas of the
70 state for construction, renovation or improvement of small
71 manufacturing facilities, provided such grants are matched by the
72 business, a municipality or another financing entity. The
73 Commissioner of Economic and Community Development shall
74 designate areas of the state where manufacturing is a substantial part
75 of the local economy and shall make grants under such pilot program
76 which are likely to produce a significant economic development
77 benefit for the designated area, (D) five million dollars may be used by
78 said department for the manufacturing competitiveness grants
79 program, (E) one million dollars shall be used by said department for
80 the purpose of a grant to the Connecticut Center for Advanced

81 Technology, for the purposes of subdivision (5) of subsection (a) of
 82 section 32-7f, (F) fifty million dollars shall be used by said department
 83 for the purpose of grants to the United States Department of the Navy,
 84 the United States Department of Defense or eligible applicants for
 85 projects related to the enhancement of infrastructure for long-term, on-
 86 going naval operations at the United States Naval Submarine Base-
 87 New London, located in Groton, which will increase the military value
 88 of said base. Such projects shall not be subject to the provisions of
 89 sections 4a-60 and 4a-60a, (G) two million dollars shall be used by said
 90 department for the purpose of a grant to the Connecticut Center for
 91 Advanced Technology, Inc., for manufacturing initiatives, including
 92 aerospace and defense, and (H) four million dollars shall be used by
 93 said department for the purpose of a grant to companies adversely
 94 impacted by the construction at the Quinnipiac Bridge, where such
 95 grant may be used to offset the increase in costs of commercial
 96 overland transportation of goods or materials brought to the port of
 97 New Haven by ship or vessel, (2) for the purposes of the small
 98 business assistance program established pursuant to section 32-9yy,
 99 provided fifteen million dollars shall be deposited in the small
 100 business assistance account established pursuant to said section 32-
 101 9yy, [and] (3) to deposit twenty million dollars in the small business
 102 express assistance account established pursuant to section 32-7h, and
 103 (4) for the purposes of section 1 of this act, provided not more than five
 104 hundred thousand dollars shall be used for such purposes.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2014</i>	New section
Sec. 2	<i>October 1, 2014</i>	32-235(b)

Statement of Purpose:

To establish a program to encourage the creation of employee-owned businesses in Connecticut.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. WILLIAMS, 29th Dist.; SEN. LOONEY, 11th Dist.

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